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RHHJJAA/JICPAC HONOLULU HI PRIORITY
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SUBJECT: PRESENCE OF 9/11 HIJACKER CRONY IN NEW ZEALAND PUTS POLITICAL HEAT ON LABOUR GOVERNMENT

REF: 05 WELLINGTON 363

Classified By: Ambassador William McCormick, for reasons 1.4 (b) and (d)

Summary

(SBU) The New Zealand Government announced on June 11 that it had two weeks earlier deported Rayed Mohammed Abdullah Ali, a Saudi national of Yemeni background. When Ali had lived in the United States some years ago, he studied flying and roomed in Phoenix with 9/11 hijacker Hani Hanjour, who crashed American Airlines Flight 77 into the Pentagon. Local media report that Ali was admitted to New Zealand in February on a student visa to study English, but had also been flying with instructors at Palmerston North's Manawatu Aero Club. The Government expelled Ali to Saudi Arabia under Section 72 of the Immigration Act. This is only the second time in history that New Zealand has used this provision, which requires approval by the Governor General and does not allow for an appeal. While the government says its decision demonstrates the seriousness with which it takes security issues, GNZ officials clearly also wished to avoid a repeat of the protracted asylum case of Algerian Ahmed Zaoui (reftel). Meanwhile, the Opposition is using the incident to question the competence of the Government's national security measures. End Summary.

Background of the case

12. (C). Ali was able to enter the country on a legal passport despite his name appearing on a police list of undesirable persons and details of his terrorist links being easily available on the internet. The Government has revealed that Ali was not identified on entry at the border because he added the name Ali to the existing name on file. However, press reports indicate that the only variation in Ali's name was the use of the initial "A" instead of Abdullah, and that this had been noted in a correction inside the passport. (NB: Post understands that he added the name Ali AND had the initial A. instead of Abdullah.)

National condemns Government's handling of national security

- ¶3. (SBU) The opposition National Party has tried to make Prime Minister Helen Clark directly accountable for what it says is a national security failure. As is customary for New Zealand Prime Ministers, Clark has overall responsibility for the Security Intelligence Service (SIS), New Zealand's intelligence agency. However thus far, Clark has escaped political scrutiny thus far. To avoid any direct questioning in Parliament on this matter, she has deftly shifted responsibility to the Minster of Police by successfully arguing that police is the lead agency in tracking terrorists in New Zealand.
- 14. (SBU) Undeterred by its inability to make Clark the focus, National has still managed to keep the heat on the Government. Somewhat illogically, the Nats have used this case to renew questions on why New Zealand has only adopted United Nations designations of individuals and organizations as terrorists and not made its own designations, as Australia and Canada have done. National's foreign affairs spokesperson, Murray McCully has referred to both Australia and Canada having made 88 and 59 non-UN designations to their national lists, respectively.

Obfuscation is the hallmark of this case

- 15. (SBU) McCully's reference to the Australian list in particular led to a good deal of confusion and misunderstanding. The head of police counter-terrorism, Assistant Commissioner Jon White, said Ali's name appeared on a police terrorist list provided by New Zealand's security partners. However, the Minister of Police, Annette King, had
- a different view, declaring that Ali was "not on any designated list, anywhere."
- 16. (SBU) King also had to retract her claim that New Zealand had designated the same number of terrorist groups as had Australia. She was apparently unaware that there are two Australian lists -- one from the Attorney General -- the UN designations -- and the other from the Foreign Affairs Ministry, to which McCully had referred. White's initial reaction to McCully's claim -- he said he had no idea what McCully was talking about -- has also created problems for Labour, as the Opposition has questioned White's understanding of security systems in other jurisdictions.

Foreign Minster's alleged role in uncovering Ali

17. (C) Additional doubts have surfaced about Government assurances about the effectiveness of its border security. The press claims it was actually Foreign Minister Winston Peters who discovered Ali was in the country, when he was telephoned by a man demanding money in return for information about a terrorist in New Zealand. The media says Peters told the man he could see his phone number on the caller ID, and said the man would be in trouble if he did not reveal all. The man then told him about Ali. Peters has neither confirmed nor denied the story, claiming that he is duty-bound by his membership in the security and intelligence select committee not to comment on the matter. A spokesman for Clark says the story has no credence. (NB: U.S. officials familar with the case say the same.)

Government announces review of border security

18. (SBU) Despite continuing to declare his confidence in New Zealand's "overall" border security system, Immigration Minister David Cunliffe has announced a review of existing measures. The Government will reconsider the visa-free status of Middle East countries. Although Cunliffe claimed this was unrelated to the Ali incident, he did note that the Government's particular scrutiny of Middle Eastern countries' visa status is a reflection of "the highest public interest

at the moment."

19. (SBU) Cunliffe's announcement has not pleased everyone. Javed Kahn, the President of the Federation of Islamic Associations of New Zealand, called the review a "knee-jerk response" to the Ali case. The Green Party's Keith Locke said that the Government's application of visa-free status is inconsistent, noting that Israelis receive it but Palestinians do not. National's immigration spokesman, Lockwood Smith welcomed the review but claimed it would not address the need to maintain an accurate immigration database and methodology for detecting people who are a serious threat to New Zealand.

Comment

- 110. (C) Some local commentators have accused the Government of overreacting, as Ali had allegedly been extensively interviewed after 9/11 by the FBI in America and was released for lack of evidence. In general, however, public criticism of Ali's deportation has been muted, and nowhere near the levels of concern generated by the Zaoui case. As a practical matter, we would have preferred that Ali remain in New Zealand, where close law enforcement cooperation would have let us keep an eye on him. However, GNZ believed it would face less embarrassment if it got rid of Ali quickly, before the Opposition got wind of his presence in the country and before he became another Green Party cause celebre.
- 111. (C) Even so, this incident may have some upsides for us. SIS officials have told us that it may now be easier for them to convince NZ Treasury to provide funds for new computers to support a proposed US-NZ MOU on exchanging unclassified screening information on known or suspected

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terrorists. NZ Police says it may also help GNZ use its

authority to designate a non-UN-listed terrorist. End Comment.
McCormick